DOCUMENT RESUME

ED 259 370 CS 209 123

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TITLE "USA Today": Can the Nation's Newspaper Survive?
PUB DATE 6 Aug 85
NOTE 34p.; Paper presented at the Annual Meeting of the Association for Education in Journalism and Mass Communication (68th, Memphis, TN, August 3-6, 1985).
PUB TYPE Reports - Research/Technical (143) -- Speeches/Conference Papers (150)

EDRS PRICE MF01/PC02 Plus Postage.
DESCRIPTORS *Advertising; Audience Analysis; Comparative Analysis; *Content Analysis; Economic Factors; Graphic Arts; Layout (Publications); *Marketing; *Media Research; *Newspapers
IDENTIFIERS *USA Today

ABSTRACT

The failure of 17 newspaper markets between 1957 and 1975 raises the question of whether the 1982 entrance of "USA Today" into the newspaper market demonstrated fiscal prudence. A 20-month advertising content analysis was conducted to assess advertising trends in "USA Today." These data were compared with industry statistics obtained from Media Records Data. The findings indicated that "USA Today" has outperformed expectations on certain fronts, while failing on others. Although the paper has attracted a small but educated and affluent readership, the media director of one advertising agency believes that the succinct writing and color graphics style of "USA Today" has caused an advertising identity problem, since the paper cannot be neatly categorized. Many advertising industry executives view the publication as a combination newspaper, magazine, traveler's digest, and surrogate for the evening news. The benefits of differentiation from mass audience newspapers may therefore be lost in the confusion of accurately defining the precise role of "USA Today" within the advertising and media communities. Despite these concerns, analyses reveal a highly stable pattern of advertiser support, and an impressive list of corporations committed to future advertising. If "USA Today" is able to continue its circulation increase pattern and, specifically, increase home and office delivery readership, it will become very difficult to ignore it as an advertising vehicle. (HTH)

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USA TODAY: Can The Nation's Newspaper Survive?

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Paper presented at the Association for Education in Journalism and Mass Communications Convention, Newspaper Division, in Memphis Tennessee, August 6, 1985.

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INTRODUCTION

On September 15, 1982, Gannett Inc., based in Rochester, N.Y. unveiled USA Today, "The Nation's Newspaper" in the Washington, D.C. area. Within two months, Gannett had expanded circulation to several markets across the United States.

Gannett Inc., is the fifth largest communications corporation in the United States with 85 local daily newspapers, 37 other publications, six television stations, fourteen radio stations, a billboard empire, a news service, a supermarket merchandising research firm and the Louis Harris Poll.[1] The USA Today staff is comprised of 1900 employees, including 375 editorial personnel. USA Today is expanding under a five year business plan with the intent of becoming profitable by 1987 with 2.35 million readers and a 60 to 40 advertising to editorial split.

Washington Newspaper Analyst John Morton estimates Gannett invested $20 million to launch the project in 1982.[2] Gannett Inc., Chairman of the Board Allen Neuharth[3] characterized the start-up cost as "a substantial investment."[4] Morton and the financial firm of Smith-Barney both estimate that Gannett suffered losses in the $100 to $107 million range in 1983. Both firms also estimate losses between $70 and $80 million for the

1984 fiscal year.[5] Despite the losses, both Morton and Smith-Barney and company give USA Today a "good chance" for success.[6]

Circulation reached the 1.3 million mark only 16 months after USA Today was introduced--the fastest circulation rise in newspaper history.[7] Neuharth reports circulation figures are 15 percent ahead of original projections. "Americans all across the country still are hungry for news and information," Neuharth said. "We want two to seven percent of the market, five percent is three million readers a day."[8]

In 1983, USA Today attracted 1,266 paid advertisers, 65 percent of which were drawn to USA Today by a partnership plan in which advertiser receive free space for the first six months in exchange for a subsequent commitment to a nine month schedule at the full rate.[9] A full page color advertisement sells for $25,872 compared with Time Magazine at $101,825 and an average 30 second spot on prime time television at $81,300. Advertisers in USA Today who purchase a full 12 month schedule receive a 20% discount.[10]

Total sales for Gannett in 1983 exceeded $1.7 billion while the corporation recorded its 64th record profit in 65 quarters as a public company.[11] Despite these deep economic pockets, all corporations are incapable of sustaining such large losses on a single property indefinitely. And in view of the fact that 17 newspaper markets failed between 1957 and 1975,[12] one might question whether the entrance of USA Today into the market demonstrates fiscal prudence.

This report will explore this question in an attempt to

outline the conditions to be met by USA Today for survival. A 20 month advertising content analysis was conducted to assess advertising trends of USA Today. These data were compared with industry statistics obtained from Media Records Data.[13] The findings indicate that USA Today has outperformed expectations on certain fronts, while failing on others. This paper will delineate the failures and successes of USA Today since its inception and predict its prospects for ultimate success.

HISTORICAL PERSPECTIVE

New technologies have traditionally served as a key to opening new frontiers in the communications field. News information and advertising can be transmitted instantaneously via satellite between distant cities and even nations, thus eliminating the lag time associated with physically carrying publications between two points.[14]

Publishers over the years have introduced "national newspapers" but each has eventually withdrawn due to lack of consumer and advertising support. Horace Greely published the Weekly Tribune during the late 1800's. The content was stripped from his primary publication, the New York Tribune. Other national newspapers in the latter half of the 19th Century included The Atlanta Constitution, The Louisville Courier, The Chicago Inter-Ocean and The Cincinnati Enquirer.[15] Each publication had a circulation in excess of 100,000. But new printing technologies soon paved the way for local publishers to produce a similar product with local emphasis, thus squeezing the

out-of-town newspapers from the marketplace.[16]

In 1923, Henry Luce and Briton Haddon effectively identified a fertile but unplowed position within the marketplace. Time was introduced as the nation's first weekly news magazine. Its successful debut with stylized writing on national and international topics spawned imitators such as Newsweek and U.S. News and World Report. Local newspapers retaliated by offering a greater selection of local news and in-depth features, especially in the Sunday editions. This product differentiation enabled local publishers to retain a sizable circulation, thereby retaining the advertising base essential for survival.

In 1962, Dow Jones and Company introduced The National Observer, a weekly national general circulation newspaper. Dow Jones executives reasoned that the regional Wall Street Journal printing facilities that remained idle on weekends could be efficiently used to produce another publication. Board Chairman Bernard Kilgore believed that maximization of the use of the available resources would lead to higher profits.[17] Dow Jones was the only publishing company that possessed the resources to embark upon such a venture at that time.[18]

The net results have been mixed. Greely and his Weekly Tribune and Kilgore and his National Observer failed to generate sustained circulation and advertising figures to preserve their raison d'etre. Time, Newsweek and U.S. News and World Report have demonstrated that national publications can become pillars of the American journalism community.

USA Today has little and much in common with the examples

cited. USA Today is a daily publication, the others were (or are) all weeklies. News presented in USA Today is "fresh" while information presented in the other publications cited was frequently old or outdated. Gannett utilizes the newsgathering capabilities of the corporation, as did Greeley with his weekly publication. However, new technologies provide Gannett with the possibility of distributing USA Today with up-to-date accounts of international, national and even local events.

Dow Jones executives admit that advertising support in The National Observer was sparse because it was viewed neither as a magazine nor a newspaper. USA Today has run into a similar identity crisis with the appointment of the former publisher of New York Magazine to the post of president of the newspaper.[19] A variety of newspaper observers have viewed the move as subtle confirmation on Neuharth's part that USA Today is not really a newspaper, but a daily magazine.[20]

Similar to Pulitzers' New York World during the early part of this century, USA Today has introduced the nation to a radical new concept concerning the use of photographs, features and graphics.[21] Borrowing from Time Magazine, USA Today utilizes color photographic satellite techniques perfected by the news weekly. Twentieth century technologies have provided Gannett, Inc. with the opportunity to experiment with new journalistic concepts. Economics, however, will determine whether the the product made possible through emerging technologies will succeed.

THE NEWSPAPER INDUSTRY AND USA TODAY

USA Today, with a circulation of 1.3 million, now boasts the third largest circulation of any newspaper in the the United States. In 1983, USA Today averaged slightly more than six advertising pages daily (See appendix A). The data suggest that USA Today averages 21.5 percent advertising per issue, compared with a national average of 60.6 percent for weekday morning newspapers.[22]

Since subscriptions and street sales account for only 20 to 30 percent of newspaper revenues, strong advertising support is essential for economic survival.[23] While the circulation of USA Today in recent years and months has soared, advertising support has been erratic. In 1983, USA Today fell 12 percent short of the advertising goal set by Gannett, Inc.[24] But notably in 1984, the advertising goal of (an average of) 10.6 pages per issue was exceeded closing the year with an average of 10.85 advertising pages per issue. On August 27, 1984, USA Today increased the single copy price from 25 to 35 cents.

Between 1946 and 1955, advertising to total content percentages in major newspapers increased annually.[25] Since 1955 however, advertising percentages have fluctuated within only a three percentage point range.[26] Successful newspapers during the period between 1976 and 1982 maintained an average of 18.9 percent national advertising (see appendix B). An important distinction should be noted between local and national newspaper

advertising. Large metropolitan dailies rely more heavily on the national advertising accounts than do the smaller city or suburban newspapers. This fact is of prime concern to USA Today since it must rely strictly upon national advertising for survival. Thus entrance at this point suggests an awareness of this trend by market analysts associated with Gannett (See appendices B and C).

Between 1971 and 1982, total advertising revenues for American newspapers increased from $3,208,176,000 to $9,864,050,000.[27] The good news for the industry is tempered by other more sobering statistics. The cost of newsprint has nearly tripled during the same period, rising from $188 in 1971 to $469 in 1982.[28] In addition, the total percentage of advertising captured by newspepers has been on the decline since 1950. In that year, newspapers captured 36.4 percent of the total advertising revenue pie. By 1983, the figure had declined to 27.2 percent with television increasing its share from a rather insignificant three percent in 1950 to 21.3 percent in 1983.[29]

It is therefore clear that newspapers are attracting more revenues in absolute terms, but are receiving proportionately less of the total available revenue. In addition, the cost of raw materials involved in the production of newspapers appears to be on the rise with no end in sight.

To illuminate the potential impact of these statistics on USA Today, a review of recent advertising linage trends is in order. Five of the largest newspapers were considered, since they will serve as reasonable indicators of these trends.

Insert Figure 1 About Here
See Appendix D, page 30

This spot check of advertising trends suggests that large metropolitan newspapers cannot be viewed as a homogeneous collective. The Chicago Tribune on one extreme has suffered a linage decline of 24.4 percent or 10,651,195 lines, while the Washington Post has increased linage by 7.3 percent or 4,596,811 lines. Administration of the newspaper, composition of the audience and nature of the media environment may each offer clues concerning individual performance differences. USA Today as a national publication will inevitably target many of the same advertisers that currently purchase space in major metropolitan newspapers. As evidenced by the performance of the Washington Post in recent years, newspapers can excel even during austere economic times.

Different types of businesses take advantage of economies of scale in different ways. As applied to the newspaper industry, taking advantage of scale economies hinges on generating a large readership capable of attracting sufficient advertising support. To accomplish this goal, USA Today must utilize new technologies to provide fresh news and information, thus avoiding problems encountered by predecessors such as the National Observer. In addition, USA Today must differentiate the product to sufficiently attract readership that might otherwise utilize other newspapers. A review of economic theory may help crystallize the concepts to be outlined.

THEORETICAL PERSPECTIVE

The Gannett communications empire is one of perhaps only a dozen companies with the resources and capabilities to undertake such an endeavor as launching USA Today. As a large corporation, Gannett Inc. can take advantage of two critical kinds of scale economies; those deriving from circulation size and economies resulting from quantity purchases of raw materials. Large circulations tend to drive down the cost of each individual newspaper. Certain costs are associated with the production of newspapers regardless of the number of copies sold. These first copy costs, such as salaries and other fixed expenses, decrease as circulation increases.[30]

The second type of scale economies are derived from quantity purchases of raw materials.[31] Owen noted that large group operations tend to have a competitive edge over smaller operations because "technology and economics favor a high degree of concentration in transmission of mass communication messages; there are economies of scale, at least in many important dimensions of the transmission function."[32] It is clear that a large circulation drives down the average price per newspaper, and that group ownership of newspapers also leads to economies of scale. The size of circulation is thus the key variable that determines to what extent a newspaper may benefit from this economic principle.[33] The benefits derived from economies of scale hinge almost entirely upon the ability of the publication to provide a uniquely differentiated product, that will attract sufficient readership which leads to advertising support.[34]

ECONOMIC AND PERFORMANCE ANALYSIS OF USA TODAY

USA Today has enjoyed significant circulation growth during it's early years. This growth might be traced directly to the emergence of new technologies developed and refined during the past nine years. USA Today is sent page by page to Westar 3, the telecommunications satellite orbiting the earth at an altitude of 22,300 miles. The finished pages are then returned to regional receiving stations which reconstitute and reassemble the paper. This technology became possible on April 21, 1974 when the United States launched Westar 1, the nation's first non-military satellite, into geosynchronous orbit in line of sight with each of the 50 states.[35]

Dow Jones & Company was the first publisher to take advantage of the technology by sending portions of the Wall Street Journal to regional printing facilities in November of 1975. Time Magazine pioneered the transmission of color photographs via satellite in 1978. The International Herald Tribune soon followed. Noting that the bugs had apparently been worked out of the system, Gannett Inc. entered the race with USA Today. To illustrate the savings made possible through satellite technology, Dow Jones invested $622,000 in two satellite earth stations and rented space on Westar 2 at $2,000 per month. Compared with telephone transmissions, Dow Jones saved $20,000 a month, enough to pay off its capital investment in 30 months.[36]

Technology has made it possible for communications corporations to begin thinking and acting in more dynamic ways.

Conventional newspaper wisdom dictates that circulation must be maximized within a given geographic region to maximize profits. USA Today however, need appeal only to 2 to 3 percent of the nation's population to become profitable. Survival therefore hinges on attracting a narrow segment of the population, thereby rendering the mass audience non-essential.[37] In defining this narrow segment, USA Today may become increasingly attractive to advertisers wishing to appeal to specific demographic groups rather than to the mass audience.

In November of 1983, Gannett Inc. released a demographic sketch of the USA Today readership. The Simmons data which were later verified by MRI[38] suggested that 44 percent of the readers earn $35 thousand annually, 55 percent attended or graduated college and 53 percent reside in the suburbs, an attractive "upscale" audience.[39] Data tend to indicate that USA Today has successfully targeted a sufficiently large minority by seeking to attract a small, but influential audience.

By providing a product to a specific social segment, USA Today has effectively moved away from its traditional role of providing messages for the masses. "Demassification" paves the way for the creation of "many more market niches, specialized and smaller than the mass market. Once such a niche is identified, a cost effective manner of advertising becomes critical. Mass media (priced accordingly) do not serve the needs of many of these niches."[40]

Gannett Inc., has provided the prospective advertiser with a distinct product, one in which 40 percent advertising will be the

norm. Additionally, advertising messages may be presented in a colorful and dynamic manner in USA Today.[41] On the editorial side, a content analysis of USA Today conducted in March of 1983 suggest that striking differences exist between it and ten large city newspapers including the New York Times, The Wall Street Journal, and the Washington Post.[42]

> "Stories in USA Today had an average of only 180 words in the news section compared with 287 to 609 words in 10 other major daily newspapers. In sports, USA Today averaged 334 words which was also lower than all but nine of the newspapers. Business stories and features were also shorter in USA Today. The number of stories in the news section of USA Today was topped only by the Washington Post. The number of sports stories in USA Today was topped only by the Chicago Tribune. The Wall Street Journal, of course topped the list for business stories and in that (category) USA Today was in the middle of the pack. USA Today led in the number of feature stories (it) presented.

Concerning the use of graphics and photographs, USA Today appears to hold a commanding lead over the other publications. Professor Lucas G. Staudacher of Marquette University reported that the average number of pictures, graphs and illustrations in USA Today is 2.475 per page. The New York Times was the second highest user of illustrations with 1.104 per page or considerably less than half the number utilized by USA Today.[43] A comparison of the use of illustrations revealed that USA Today used 99 on March 1, 1983 while the others averaged only 48. In summary, not only does Gannett Inc., offer the advertiser a unique advertising vehicle, but the consumer is also offered a unique product.

Demassification is predicted to have its most negative effects on supermarkets, retailers and television networks. A proponent of the view believes "you can be successful with a low-

cost product or a high-value-added product. It's getting tougher to live anywhere in between."[44] Proponents of the "demassification" concept believe that as the society heads away from a "mass orientation" toward greater individualization, the advertisers will seek more appropriate advertising vehicles. Simply put, if changes in retailing diminish the role of department stores or discounters, advertising revenues to newspapers could be seriously eroded unless other means of attracting advertising dollars from emerging forms of retailing are tapped.[45]

Insert Figure 2 About Here
See Appendix D, pg. 31

The retail/classified category pertains primarily to local advertising. The financial/automotive/general category refers primarily to national advertising. The overall picture therefore appears relatively flat with a total shift of only 3.5 percent over a six year period. But upon closer examination, fascinating data begin to emerge.[46]

Insert Figure 3 About Here
See Appendix D, pg. 31

Insert Figure 4 About Here
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The data indicate that since 1978, large and medium sized newspapers have increasingly relied on national advertising

accounts such as financial and automotive advertising. This must be viewed as encouraging information for USA Today which must rely on national as opposed to local advertising. Newspapers with large circulations rely more on national advertising than do their medium or small sized counterparts. It is more efficient for national advertisers to deal with one large newspaper rather than a collection of smaller newspapers, hence these large newspapers attract more national accounts than do the smaller papers.

The data also suggest that the greatest increase has occurred in the national category for large newspapers on weekdays. This category increased during the four year period by 4.7 percent for these large newspapers. This apparent increase of 1.175 percent annually may work to the advantage of USA Today which has no Sunday edition. Since USA Today must rely exclusively on national advertising, current indicators are positive for the newspaper.

USA Today has made significant strides as of late in procuring advertising. Newspaper consolidation, which has left the majority of American cities with but a single newspaper,[47] may be working to the advantage of USA Today.[47] Rosse notes that the result of consolidation has be intercity rather than intracity competition for advertising revenues. His umbrella model suggests that large city newspapers draw revenue from national and regional advertisers as well as local in-city stores. Newspapers at this level must compete with the broadcast operations for advertising.[48]

Newspapers at the second and third level must compete with each other only in the fringe or overlap areas of their natural markets. But they must also compete with the large newspapers. These papers tend to be smaller suburban papers or local dailies. The fourth level is comprised of weeklies and other specialized media such as shoppers.[49]

Each type of newspaper serves a specific geographic region. Additionally, each type has specific advantages for the advertiser. The small businessman may derive greater utility and efficiency through a small weekly, while the national advertiser may reach the largest audience through efficient use of big city newspapers.[50] According to the Rosse model therefore, USA Today will compete most vehemently with big city dailies for that portion of the advertising pie.

Compaine points out that newspapers offer advertisers several features unique to the medium.[51]

> (1) Their frequency and close deadlines allow for precise placement of the advertising message at a time when it will do the most good.
>
> (2) Their local identity in metropolitan, suburban, small town and zoned or regional editions provides considerable territorial segmentation. Newspapers offer advertisers both time and utility. As Rosse points out, specific types and sizes of newspapers afford the advertisers the option of precise message placement.
>
> (3) Advertisers at the retail level can include coupons as an inducement to enter the establishment, hence advertising in moderation generates information and positive utility.
>
> (4) Advertisers may benefit from the editorial product with which they are associated.

(5) Since newspapers readership is a daily habit among a large segment of the adult population, advertisers can put their message and name before a regular audience with almost unlimited repetition.

(6) Newspapers as a print medium are hard copy, so the advertiser can include as little or as much information in the space as is deemed appropriate.

(7) More creative possibilities exist for newspapers than they are usually given credit for. Ads can be all copy or employ large portions of white space. They can support a complex rational approach or make an emotional appeal.

(8) The broad market coverage means that a sizable majority of households in a given market can be reached in just one or several major newspapers.

USA Today is obviously incapable of competing in the first three areas with regional or city newspapers since advantages associated with locale do not apply.

On the later points however, USA Today may possibly possess a natural competitive advantage. USA Today, for example offers four distinct editorial sections; the main news section, the "money" section, the sports section and the life section. The four sections provide advertising clients with many options.[52]

(1) The news section includes breaking news stories, a section based on individual state reports, the editorial page, the weather and information that may be considered hard news.

(2) The "money" section includes economic analyses and stock market information as well as stock market forecasts and information concerning the strength of the dollar on foreign markets.

(3) The "sports" section includes a state by state rundown of sports events as well as national and international sports information. The use of color photographs and charts is liberal.

(4) The "life" section includes travel and entertainment articles and material that might be characterized as light features.

The prospective advertiser has the opportunity to select a section that closely parallels the advertising message and product. Research has demonstrated that people who give high ratings to editorial content are also more apt than other readers to say they they look at and appreciate the ads most.[53]

The sections presented by USA Today are somewhat customary. However, the manner of presentation may be the element that sets the publication apart from the typical big city daily. Since USA Today is capable of offering full color advertising to the prospective client, the publication has provided a service infrequently available in competing print media.[54]

CONCLUSIONS

The indicators tend to suggest that USA Today has an excellent chance for survival and ultimately, economic prosperity. An evaluation of its performance for the past 20 months indicates that USA Today is succeeding in the areas of circulation growth, advertising solicitation and product differentiation.

The circulation increase from zero to 1,328,781 demonstrated that a sizable portion of the population was willing to accept USA Today, at least on a trial basis. Ira Carlson, media director for McCann-Erickson warns however that the circulation picture may be somewhat less bright. "If the basic fear, that the newspaper is living off predominantly new, non-repeat circulation is confirmed, USA Today will die."[55]

Gannett Inc., has had a tradition of focusing attention and

efforts on lucrative population centers for the desired circulation base.[56] The industry talk of the day however suggests that USA Today is failing to compete effectively in the large urban areas. The circulation director for the Chicago Tribune, Howard Hay, said USA Today has had little impact on circulation within that city. Hay contends that USA Today is selling best in satellite markets such as Peoria, Bloomington and Springfield where the Chicago Tribune is the second newspaper.[57]

The comment, if valid, raises a fascinating question. Is USA Today making inroads in many markets as a second newspaper, or is it becoming a threat to second or third level publications in the Rosse model? The media director for Bozell & Jacobs Advertising Agency believes that USA Today has developed an advertising identity problem, since it cannot be neatly categorized. Many advertising industry executives view USA Today as a combination newspaper, magazine, traveler's digest and surrogate for the evening news.[58] The benefits derived from differentiation may therefore be lost in the confusion of accurately defining the precise role of USA Today within the advertising and media communities.

Despite these concerns, a content analysis of a composite month of USA Today revealed a highly stable pattern of advertiser support (see appendix A). But perhaps most impressive is the list of advertisers that have recently committed to long term schedules with USA Today. The list includes Hewlett Packard, Wang, B. Dalton, NBC, Buick, Stroh's Beer, American Motors, Chemical Bank, IDS/American Express, Epson Computers, Lincoln-

Mercury, Mastercard, J.C. Penney, Hitachi, Rockwell, Oldsmobile, Bell's Scotch and LTV.[59] In addition, USA Today expanded its page capacity to 48 with 16 pages in four color, making this option available in each section.[60] The recent advances, including advertising in excess of projections for 1984, tend to suggest that USA Today is carving out a niche as a differentiated alternative for both consumers and advertisers in the marketplace.

USA Today may be further along than is typically acknowledged within the industry. The advertising sales staff can offer a unique product to the client.[61]

> "USA Today is the only general-interest national newspaper that offers five-day-a-week delivery in full color. (But) the Wall Street Journal and its appeal to a specific audience may limit its attractiveness for advertisers. And cost is another factor working in Gannett's favor. A black-and-white page in the Journal costs $68 thousand compared with $19,106 in USA Today.

If USA Today is able to continue its circulation increase pattern, and specifically increase home and office delivery readership, it will become a very difficult advertising vehicle to ignore. Distribution of 2.35 million copies will enable Gannett to maintain a relatively low per issue production cost, thus providing advertisers with an efficient vehicle with which to transmit the advertising message. These economies of scale made possible through new technologies will enable Gannett Inc., to distribute a publication with a modest 40 to 60 advertising to editorial content ratio. The net result would be the production of a relatively clutter free advertising environment thus serving both the advertising community and the consumer.

And perhaps most notably, national newspaper advertising revenues (financial, automotive and general) are increasing annually (See Appendices B and C). Newspapers nationwide have received a greater percentage of more national advertising, while retail and classified advertising have declined. Although national advertising accounts for only about 20 percent of total advertising in major metropolitan newspapers, the trend is certainly welcome news for USA Today. The key indicators suggest that USA Today has an excellent opportunity for success.

The author has examined the data that is available to individuals outside of the Gannett Corporation. Certainly, internal records, which remain proprietary may support or refute the contention that the pulse of USA Today is indeed strong. But while the journalism community watches with interest, Gannett executives have already distributed a test edition of the International Edition of USA Today in Europe, the Middle East and North Africa.[62] The implication though tacit, may suggest that the heartbeat of USA Today within the Gannett organization is strong and vibrant.

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46 Editor and Publisher, supra note 13.

47 Ozanich, "Consolidation of Metropolitan Newspapers."

48 See for example: Compaine, Who Owns the Media; Rosse, Symposium on Media Concentration.

49 Ibid.

50 McClure, Advertising In The Printed Media.

51 Compaine, The Newspaper Industry in the 1980's.

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55 Kanner, Bernice, "Questions About USA Today," New York Magazine, New York, March 5, 1984.

56 Blankenburg, William, "Newspaper Ownership and Control of circulation to Increase Profits," Journalism Quarterly, Summer 1982, pp. 299-314.

57 Duffy, "What's the Story?"

58 See for example: "Duffy, What's the Story?"; Kanner, "Questions About USA Today,"; Matthews, "It's Time To Get Serious."

59 USA Today News Release announcing advertising schedule, July 27, 1984.

60 Ibid.

61 Matthews, "It's Time To Get Serious."

62 Gannett News Release, "USA Today Considers European and Pacific Editions," Feb. 21. 1984.

APPENDIX A

COMPOSITE ADVERTISING PROFILE FOR USA TODAY: Twenty Months: Oct. 1982 to May 1984

Date	Day	Pgs.	Ad.Pgs.	%Adv.	Type Gen.	Type Auto.	Type Finance
Oct. 5, 1982	Mon.	40	7.33	18%	3.67	0.33	3.33
Nov. 17, 1982	Tue.	40	8.00	20%	6.00	0.00	2.00
Dec. 2, 1982	Wed.	36	8.00	22%	5.33	0.33	2.33
Jan. 21, 1983	Thu.	40	9.67	23%	6.00	1.00	2.67
Feb. 14, 1983	Fri.	40	12.00	30%	3.33	4.00	4.67
Mar. 15, 1983	Mon.	36	8.50	24%	4.67	0.50	3.33
Apr. 13, 1983	Tue.	40	11.33	28%	6.33	2.00	3.00
May 12, 1983	Wed.	36	8.35	23%	7.50	0.00	0.85
June 17, 1983	Thu.	36	6.00	22%	6.00	1.00	1.00
July 25, 1983	Fri.	32	5.52	17%	3.85	1.00	0.67
Aug. 30, 1983	Mon.	30	6.34	18%	3.67	0.00	2.66
Sep. 28, 1983	Tue.	36	7.50	20%	4.00	1.33	2.17
Oct. 27, 1983	Wed.	36	7.85	22%	5.67	1.00	0.85
Nov. 25, 1983	Thu.	28	7.50	13%	3.50	0.00	0.00
Dec. 19, 1983	Fri.	40	10.67	27%	6.67	2.00	2.00
Jan. 17, 1984	Mon.	32	6.66	15%	0.33	1.00	3.33
Feb. 15, 1984	Tue.	32	5.17	16%	4.67	0.00	0.50
Mar. 15, 1984	Wed.	32	6.16	19%	4.17	0.00	2.00
Apr. 20, 1984	Thu.	32	6.15	19%	2.33	0.67	3.15
May 7, 1985	Fri.	36	10.67	30%	4.50	2.50	3.67
		$\bar{x}$=35.5	$\bar{x}$=7.87	$\bar{x}$=21.3	$\bar{x}$=4.6	$\bar{x}$=0.9	$\bar{x}$=2.2

Source: Advertising content analysis conducted by the author.

Note: Published Reports suggest the actual average number of advertising pages in USA Today is slightly more than six. The author proposes the discrepancy of 1.87 (7.8 -6.00) is due to the nature of the measuring process. Since the results were derived from a composite month rather than a complete analysis, a certain error term is possible.

Content Analysis based on a review of 20 editions of USA Today provided by the newspaper. The specific dates were requested by the author.

APPENDIX B

PERCENTAGE CHANGES IN FINANCIAL, AUTOMOTIVE AND GENERAL ADVERTISING FOR THE NATION'S TEN LARGEST DAILY NEWSPAPERS

(bracketed figs. on right represent mean change between 1978 and 1982)

	1976	1978	1980	1982
1. N.Y. Daily News	23%	23%(n.c.)	24%(1)	26%(2)
Sunday	18%	22%(4)	21%(-1)	24%(3)
2. L.A. Times	13%	12%(-1)	16%(4)	15%(-1)
Sunday	14%	13%(-1)	15%(2)	19%(4)
3. N.Y. Post	37%	28%(-9)	38%(10)	39%(1)
Sunday	(Note: N.Y. Post published Sunday during 1978 only)			
4. N.Y. Times	31%	31%(n.c.)	35%(4)	35%(n.c.)
Sunday	32%	32%(n.c.)	32%(n.c.)	32%(n.c.)
5. Chicago Trib.	16%	16%(n.c.)	22%(6)	22%(n.c.)
Sunday	20%	18%(-2)	20%(2)	21%(1)
6. Wash. Post	11%	10%(-1)	12%(2)	14%(2)
Sunday	13%	14%(1)	16%(2)	14%(-2)
7. Chic. Sun	10%	11%(1)	13%(2)	17%(4)
Sunday	15%	15%(n.c.)	16%(1)	22%(4)
8. Detroit News	11%	10%(-1)	11%(1)	13%(2)
Sunday	12%	11%(-1)	11%(n.c.)	13%(2)
9. Det. Free Pr.	15%	14%(-1)	16%(2)	18%(2)
Sunday	24%	23%(-1)	16%(2)	18%(2)
10. Phila. Inq.	15%	13%(-2)	16%(3)	16%(n.c.)
Sunday	13%	12%(-1)	13%(1)	15%(2)
	x=18.05	x=17.15	x=19.52	x=21.00 - (x=3.85)
weekdays	=18.20	=16.80	=20.30	=21.50 -(x1=4.70)
Sunday	=17.88	=17.50	=18.66	=20.44 -(x2=3.00)

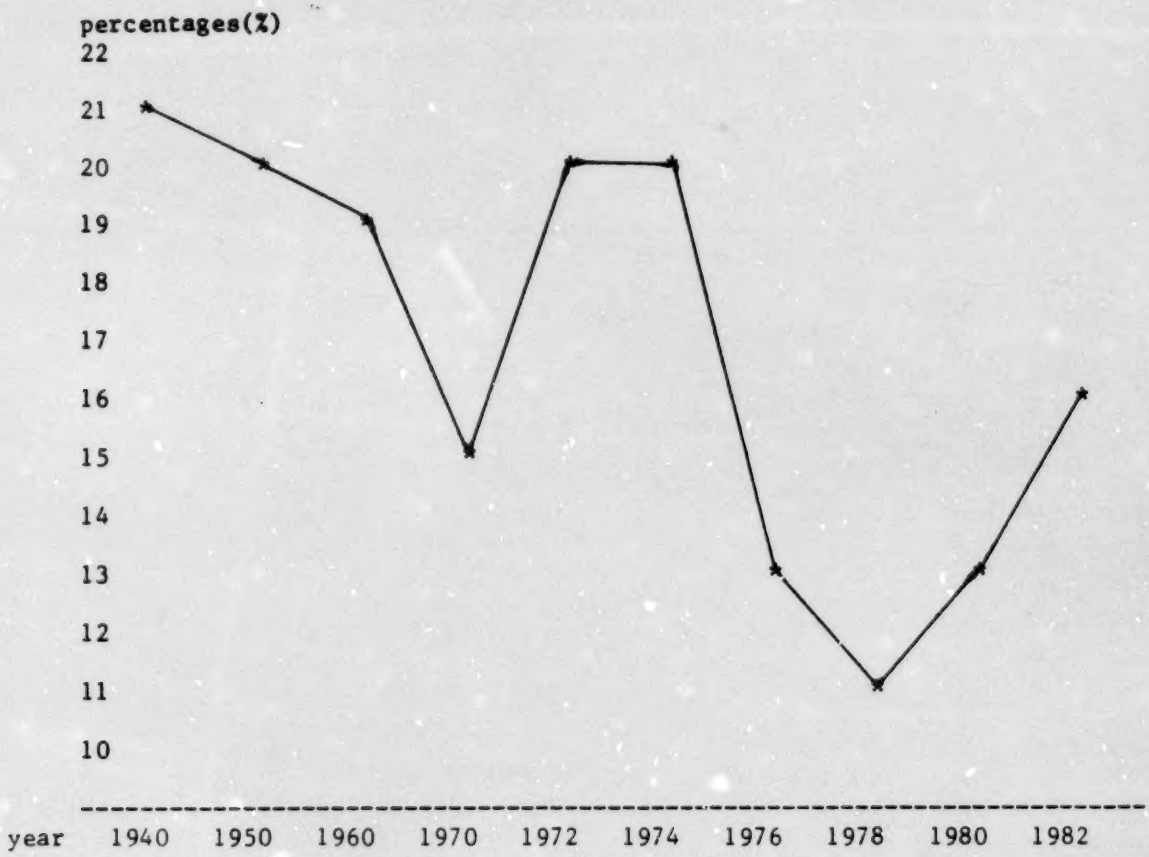
PERCENTAGE CHANGES IN FINANCIAL, AUTOMOTIVE AND GENERAL ADVERTISING FOR TEN MEDIUM SIZED DAILY AMERICAN NEWSPAPERS

	1976	1978	1980	1982
70. Cincin. Post	12%	12%(n.c.)	18%(6)	17%(5)
Sunday	-----not published-----		-----not published-----	
73. Balt. Amer.	17%	16%(-1)	16%(n.c.)	17%(1)
Sunday	17%	16%(-1)	16%(n.c.)	17%(1)
76. Provid. Bul.	15%	15%(n.c.)	17%(2)	20%(3)
Sunday	-----not published-----		-----not published-----	
80. Roch. Demo.	16%	16%(n.c.)	16%(n.c.)	19%(3)
Sunday	12%	12%(n.c.)	13%(1)	18%(5)
85. Lit. Rock Gaz.	12%	12%(n.c.)	17%(5)	18%(1)
Sunday	19%	16%(-3)	20%(4)	23%(3)
87. San Dieg. Trib.	12%	11%(-1)	12%(1)	14%(2)
Sunday	-----not published-----		-----not published-----	
89. Nshvl. Tenn.	12%	13%(1)	15%(2)	16%(1)
Sunday	12%	14%(2)	16%(2)	20%(4)
92. Wich. Eagle/Bea.	8%	7%(-1)	9%(2)	10%(1)
Sunday	-----not published-----		-----not published-----	
93. San Anton. Lite.	8%	7%(-1)	9%(2)	10%(1)
Sunday	12%	11%(-1)	11%(n.c.)	14%(3)
97. Roch. Times/Un.	13%	16%(3)	15%(-1)	29%(5)
Sunday	-----not published-----		-----not published-----	
	x=13.1	x=12.9	x=14.7	x=16.9 - (x=4.00)
weekdays	=12.5	=12.5	=14.4	=16.1 -(x1=3.60)
Sunday	=14.4	=13.8	=15.2	=18.4 -(x2=4.60)

Data collected from reports published in Editor & Publisher based on statistics provided by Media Records Data. Percentages and variations calculated by the author.

APPENDIX C

PERCENTAGE OF FINANCIAL, AUTOMOTIVE AND GENERAL ADVERTISING IN LEADING NEWSPAPERS BETWEEN 1940 and 1982



Data collected from published reports in Editor & Publisher.
Percentages calculated by the author.

The chart indicates that since 1978, national advertising has been increasing percentagewise in newspapers. The ability to produce a national newspaper through new technologies combined with this trend may have brought USA Today into the marketplace.

Figure 1

ADVERTISING LINAGE IN FIVE MAJOR AMERICAN NEWSPAPERS: 1980-1983

Newspaper	Year 1980	1981	1982	1983
Chicago Tribune	41,600,000	37,609,000	32,851,000	30,948,805
L.A. Times	67,725,000	64,037,000	63,213,000	62,649,848
Detroit Free Pr.	24,454,000	24,426,000	22,274,000	22,541,360
New York Times	37,573,000	38,773,000	37,544,000	37,590,000
Washington Post	58,174,000	61,752,000	62,830,000	62,770,811

Source: Media Records Data as reported in Editor and Publisher.
Statistics calculated by author

APPENDIX D

Figure 2

NATIONAL TO LOCAL INDUSTRY ADVERTISING COMPARISON: 1976-1982

	Year			
	1976	1978	1980	1982
Advertising Type				
Retail/Classified (Local)	87.7%	87.7%	87.3%	84.3%
Finance/Auto./General (National)	12.3%	12.3%	12.7%	15.7%

Source: Media Records Data as reported in Editor and Publisher. Statistics calculated by author

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Figure 3

NATIONAL TO LOCAL INDUSTRY ADVERTSING COMPARISON: 1976-1982
Ten Largest Metropolitan Newspapers

	Year			
Advertising Type	1976	1978	1980	1982
Retail/Classified (Local)	81.95%	82.85%	80.48%	79.00%
Finance/Auto./General (National)	18.05%	17.15%	19.52%	21.00%

Source: Media Records Data as reported in Editor and Publisher
Statistics calculated by author

Figure 4

NATIONAL TO LOCAL INDUSTRY ANDVETISING COMPARISON: 1976-1982
Ten Medium Sized American Newspapers

	Year			
Advertising Type	1976	1978	1980	1982
Retail/Classified (Local)	86.90%	87.10%	85.30%	83.10%
Finance/Auto./General (National)	13.10%	12.90%	14.70%	16.90%

Source: Media Records Data as reported in Editor and Publisher. Statistics calculated by author

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AEJMC: NEWSPAPER DIVISION
-ABSTRACT-

USA Today: Can "The Nation's Newspaper" Survive?

In 1982, Gannett Inc., based in Rochester, N.Y. unveiled USA Today. Despite considerable start-up costs and enormous losses during its infancy, newspaper analysts give USA Today a good chance for survival.

Entrance into the market at this point appears to be prudent due to several reasons. First, Gannett can take advantage of economies of scale in terms of production and distribution because of the size of the newspaper chain. Second, new technologies now make it possible to distribute "fresh" news and information in a national newspaper. Third, audience segmentation will enable USA Today to succeed by targeting specific demographic audiences and tailoring the news "package" to their needs.

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